

OIL AND GAS LEASE

AGREEMENT, made and entered into this 2nd day of March, 20 12, by and between:

Lary L. Weeks and Roxanne E. Weeks, husband and wife, singly and jointly

Rural Route 1, Box 85-A

Aline, OK 73716

→ party of the first part, hereinafter called Lessor (whether one or more), and Remora Petroleum, L.P., a Texas limited partnership, 301 Congress Avenue, Suite 315, Austin, TX 78701, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Alfalfa, State of Oklahoma, described as follows, to-wit:

The Southwest Quarter (SW/4) of Section 4, Township 23 North, Range 12 West 1.M.

and containing 160 gross acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three (3) years from the date above (herein called the primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.
2. This Lease shall be prior and superior to any extension, modification or renewal of any presently existing lease of record that is executed after the date hereof and any such extension, modification, or renewal shall be null and void.
3. In consideration of the premises the said Lessee covenants and agrees:
  - A. To deliver to the credit of Lessor, in the pipeline to which it may connect its wells, a 1/8 part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises, provided that Lessor's royalty share shall bear and pay its proportionate share of all production, severance, and ad valorem taxes.
  - B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8 of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.
4. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred eighty (180) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within one hundred eighty (180) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.
5. Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. The creation of a unit by such pooling or unitization shall be based on the following criteria: A unit for an oil well (other than a horizontal completion) shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well or a unit for a horizontal completion shall not exceed 640

acres plus a maximum acreage tolerance of 10% ; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. For purposes of the foregoing, the term "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel; and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

6. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

**ON THE LEASED PREMISES**

7. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells of Lessor.

8. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

9. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

11. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

12. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

14. The Lessee's failure to comply with any covenant or obligation of this lease shall not result in the forfeiture of the lease unless and until Lessor has provided Lessee notice of such default and gives Lessee sixty (60) days in which to cure such default.

15. It is the intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in Section 4, Township 23 North Range 12 West, Alfalfa County, Oklahoma whether or not properly and completely described herein. In the event it is determined that Lessor actually owns more net mineral acres than that assumed by the parties in the calculation of lease bonus and paid by Lessee, Lessor and Lessee agree that Lessee shall pay Lessor for such additional net acreage at the same bonus price per acre agreed upon for the execution of this oil and gas lease. Likewise, in the event it is determined that Lessor owns less net acres, or it is determined that Lessor's acreage is currently leased under a prior oil and gas lease, then the Lessor agrees to reimburse Lessee for the bonus per acre paid for the acreage not owned by Lessor or under the prior oil and gas lease.

16. The terms of the attached "Exhibit A" are made a part hereof and are incorporated herein by reference.

IN TESTIMONY WHEREOF, we sign this the 22<sup>ND</sup> day of March, 20 12

Lary L. Weeks  
Lary L. Weeks

Roxanne E. Weeks  
Roxanne E. Weeks

State of Oklahoma County of Alfalfa, ss:

BE IT REMEMBERED that before me, a notary public in and for Alfalfa County, Oklahoma personally appeared Lary L. Weeks and Roxanne E. Weeks, husband and wife, personally known to me to be the same person(s) who executed the foregoing lease, and duly acknowledged as a free and voluntary act and deed for the uses and purpose therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my seal this 22nd day of March, 2012.

My appt. expires  
12.22.15



Gayla Koehn  
Notary Public

STATE OF OKLAHOMA  
COUNTY OF ALFALFA SS  
THIS INSTRUMENT WAS FILED FOR RECORD  
AT 11:45 O'CLOCK A M.  
DATE 4-28-12 AND ONLY  
RECORDED IN BOOK 638 PAGE 454  
DOCUMENTARY STAMPS \$  
BY Clayton COUNTY CLERK  
DEPUTY

## Exhibit A

THIS EXHIBIT "A" attached hereto and made a part of that certain "Oil & Gas Mineral Lease" dated the 2<sup>nd</sup> day of March, 2012 by and between Larry L. Weeks and Roxanne E. Weeks, husband and wife, as Lessor and Remora Petroleum, L.P., as Lessee.

This addendum is part of the oil and gas lease referred to above. If there be any conflict between the provisions of this addendum and any of the provisions of the above lease, then the provisions of the addendum shall be controlling.

### **LEGAL DESCRIPTION:**

The Southwest Quarter (SW/4) of Section 4, Township 23 North, Range 12 West 1M.  
Alfalfa County, Oklahoma

### **OTHER PROVISIONS**

**OPTION TO RENEW OIL & GAS LEASE:** Notwithstanding anything to the contrary contained in this Lease, Lessee, its successors and/or assigns, has the option, but not the obligation to extend the primary term of this Lease and all rights hereunder for an additional two (2) years from the date of the expiration of the initial primary term, by tendering to Lessor, an additional bonus payment equal to same per acre paid to Lessor under the original terms of this lease times the net acres actually owned by Lessor and Lessor's successors (if any) in and to the portion of the Leased Premises to be extended on the date the option is exercised. This bonus payment shall be tendered by Lessee when deposited with U.S. Postal Service for delivery to the Lessor by certified mail at the address above on or prior to the expiration date of the initial primary term of this Lease. Nothing contained herein nor any separate implied agreement between parties shall serve to bind Lessee to exercise this option and it shall be at Lessee's sole discretion to do so.

**COMMENCEMENT:** Commencement of a well according to the terms of this lease will require that a well location shall be under construction at the expiration of this lease and that a drilling rig capable of drilling to total depth be on location and drilling on or before ninety (90) days after the expiration of the primary term of this lease, and that the drilling of said well be continued with due diligence until completion.

**DEPTH CLAUSE:** It is understood and agreed that two (2) years following the expiration of the primary term of this lease or upon the expiration of any extension or renewal of the primary term, whichever occurs last, this lease shall automatically terminate as to all rights lying below one hundred (100) feet below either (1) the deepest depth drilled in any well drilled on the leased premises or on lands pooled therewith; or (2) the stratigraphic equivalent of the base of the deepest formation producing or capable of producing in any well drilled on the leased premises or on lands pooled therewith, whichever is the deepest; provided, however, if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this lease shall remain in full force and effect as to all depths so long as no more than ninety (90) days elapse between said operations.

**PUGH CLAUSE:** Notwithstanding anything to the contrary in this lease, all portions of this lease not included in a unit created by the Oklahoma Corporation Commission and not producing or upon which drilling operations have not commenced, shall be released at the expiration of the primary term of this lease. Should the unit as established by the Corporation Commission be changed after the expiration of the primary term, all portions of this lease not included in the newly prescribed Corporation Commission unit will be released.

**ROYALTY:** Lessee hereby agrees to deliver or cause to be delivered to Lessor, without cost into pipelines, a royalty of one-eighth (1/8<sup>th</sup>) part of the oil or gas produced from the leased premises and a one-eighth (1/8<sup>th</sup>) part of all casinghead or drip gas or gasoline or other hydrocarbon substances produced from any well or wells on said premises.

**NO DEDUCTIONS:** It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, Lessor's share of any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

**WASTE:** Lessee agrees to use diligence to prevent the underground or above ground waste of oil or gas and to avoid the physical waste of gas produced from the leased premises.

**CESSATION, DRILLING AND REWORKING:** In the event production in paying quantities of oil or gas on the leased premises or upon lands pooled therewith, after once obtained, shall cease for any cause within ninety (90) days before the expiration of the primary term of this lease or at any time or times thereafter, this lease shall not terminate if the Lessee commences additional drilling or reworking operations within ninety (90) days after such cessation, and this lease shall remain in full force and effect so long as such operations continue in a good faith and workmanlike manner without interruptions totaling more than ninety (90) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas in paying quantities, this lease shall remain in full force and effect so long as oil or gas is produced in paying quantities or payment of shut-in gas well royalties are made as hereinbefore provided in the lease.

**SHUT-IN ROYALTY:** Notwithstanding anything to the contrary herein, it is understood and agreed that this lease may not be maintained in force for any one continuous period of time longer than two (2) consecutive years after the expiration of the primary term hereof solely by the provisions of the shut-in royalty clause.

**RELEASE:** Upon termination, expiration or surrender of this lease in whole or in part, Lessee shall within ninety (90) days file an appropriate release of lease in the County Records and provide Lessor with a certified copy of same.

**SPECIAL WARRANTY CLAUSE:** Lessor warrants the title to the leased premises against persons who lawfully claim title to the leased premises or any part thereof, by, through or under Lessor, but not otherwise, and Lessor assigns the Lessee the warranties of title which were made to Lessor and Lessor's predecessors.

**FULL PAYMENT:** Lessee shall be responsible for the full and proper payment of all amounts due to Lessor during the portion of the term of this lease in which Lessee is the Lessee hereof and to the extent of said leasehold interest of Lessee. Any assignee of this lease shall be responsible for the full and proper payment of all payments due Lessor during the portion of the term of this lease which said assignee is a lessee thereof and to the extent of said leasehold interest of said assignee.

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Lary L. Weeks

*Lary L. Weeks*

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Roxanne E. Weeks

*Roxanne E. Weeks*